4 NOV 1977

Mr. Joseph Malaga, Executive Director Administrative Services Reorganization Project Office of Management and Budget Washington, D.C. 20503

Dear Mr. Malaga:

The opportunity to provide information for your study on organizational and procedural improvements to centrally provided, federal administrative services is appreciated. CIA is heavily reliant upon the General Services Administration (GSA) for a variety of services, predominantly in

instances, nowever, centralized support is made difficult by the unique aspects of Agency operations.

As you are probably well aware, the Director of Central Intelligence is statutorily required to protect intelligence sources and methods including " . . . organization, functions, names, . . . or numbers of personnel " These requirements, as recorded in a specific CIA exemption within the Federal Property and Administrative Services Act of 1949. complicate the utilization of centralized federal services in many functional areas. Because of this statutory requirement and the necessity to directly support sensitive foreign activities, the Agency: maintains its own telecommunications capability; has a logistics organization providing supplies, administrative services, classified printing, and facilities support; has a centralized security organization which, among other responsibilities, coordinates Agency facilities protection by GSA Federal Protective Service officers; and operates, in coordination with the National Archives and Records Service. a records management and storage system.

The Administrative Services Reorganization Project memorandum requested views, problems, and priorities (and the assumption is made that, as it affects CIA, GSA services

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are of primary concern). First, CIA's dependence on GSA's administrative services should be reiterated. The Agency does not have the size to perform all of these functions for itself, nor, given the resources, would it be desired to do so. On balance, GSA support of Agency activities is more than satisfactory and cooperation and responsiveness by GSA senior managers can only be rated as excellent. It is considered, however, that improvement is needed in GSA/CIA's joint efforts to acquire and maintain and operate facilities. This space acquisition/maintenance function is complicated by several factors: (1) the necessity to vigorously screen and/or escort all GSA employees and GSA contractors given access to Agency buildings; (2) the occasional necessity for very rapid acquisition, relocation, or modification of a facility either to house an impending, "state-of-the art," technical collection system, for security reasons, or to accommodate organizational change; (3) the geographic isolation of the CIA Headquarters complex from GSA's centralized professional staff and labor pool; (4) CIA's necessity to install and operate, on a 24-hour basis, highly technical, classified systems requiring dual, special utilities systems for primary and backup operation; (5) the STATINTL necessity to provide expensive, structural modifications to CIA facilities for physical security; and (6) the wide distribution of small CIA recruitmen facilities across the U.S.

It is recognized that this area of primary concern is complex and that a substantial amount of additional information may be required. Accordingly, STATINTL Executive Officer, Office of Logistics has been STATOTHR designated as the action officer for this initial phase and will provide what further data your staff may need.

The provision of central administrative services is of vital concern to CIA and of principal interest to this Directorate. Please call me if I can be of personal assistance or, if you have the opportunity, please let me arrange a luncheon and tour of our Langley facility.

Sincerely,

/s/ Michael J. Malaniak

Michael J. Malanick Acting Deputy Director for Administration

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MEMORANDUM TO HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS SUBJECT: Administrative Services Reorganization Project

The President in his memorandum of June 29, 1977, to you stressed his personal interest in improving the delivery of administrative services within the Federal Government. We will assess the role of the General Services Administration and other agencies in providing the goods and services you need to manage your agencies' programs. When we have collected and analyzed the data, we will develop organizational and process alternatives aimed at improving the management and delivery of supplies, space, ADP equipment and services, telecommunications, transportation services, records management, and general administrative support.

We want to begin our work with your views, problems, and priorities clearly in mind. We want to focus our efforts in those areas you feel are most in need of improvement. We will seek options for improvement and come back to you to discuss alternative solutions.

The National Aeronautics and Space Administration has loaned us Joseph Malaga, Director of Management Operations, Kennedy Space Center, to direct the day to day work on this project. Joe and his staff will consult regularly with your key headquarters and field staff as we go along. However, we do want your initial thoughts to guide us in our study design. Please send your ideas and comments to Joseph Malaga, Executive Director, Administrative Services Reorganization Project, Room 10235 NEOB, Office of Management and Budget, Washington, D.C. 20503. We would like to hear from you by November 4 on anything you want considered in the study design phase of the project.

Aministrative Services Project

Wayne

Vice Chairman

Administrative Services Project